

2SSB-5859 - S AMD

By Senators Kohl-Welles, Clements

ADOPTED 03/12/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 66.24.375 and 1997 c 321 s 61 are each amended to
4 read as follows:

5 "Society or organization" as used in RCW 66.24.380 means a not-for-
6 profit group organized and operated (1) solely for charitable,
7 religious, social, political, educational, civic, fraternal, athletic,
8 or benevolent purposes, or (2) as a local wine industry association
9 registered under section 501(c)(6) of the internal revenue code as it
10 exists on the effective date of this section. No portion of the
11 profits from events sponsored by a not-for-profit group may be paid
12 directly or indirectly to members, officers, directors, or trustees
13 except for services performed for the organization. Any compensation
14 paid to its officers and executives must be only for actual services
15 and at levels comparable to the compensation for like positions within
16 the state. A society or organization which is registered with the
17 secretary of state or the federal internal revenue service as a
18 nonprofit organization (~~may~~) shall submit such registration, upon
19 request, as proof that it is a not-for-profit group.

20 **Sec. 2.** RCW 66.28.010 and 2006 c 330 s 28, 2006 c 92 s 1, and 2006
21 c 43 s 1 are each reenacted and amended to read as follows:

22 (1)(a) No manufacturer, importer, distributor, or authorized
23 representative, or person financially interested, directly or
24 indirectly, in such business; whether resident or nonresident, shall
25 have any financial interest, direct or indirect, in any licensed retail
26 business, unless the retail business is owned by a corporation in which
27 a manufacturer or importer has no direct stock ownership and there are
28 no interlocking officers and directors, the retail license is held by
29 a corporation that is not owned directly or indirectly by a

1 manufacturer or importer, the sales of liquor are incidental to the
2 primary activity of operating the property as a hotel, alcoholic
3 beverages produced by the manufacturer or importer or their
4 subsidiaries are not sold at the licensed premises, and the board
5 reviews the ownership and proposed method of operation of all involved
6 entities and determines that there will not be an unacceptable level of
7 control or undue influence over the operation or the retail licensee;
8 nor shall any manufacturer, importer, distributor, or authorized
9 representative own any of the property upon which such licensed persons
10 conduct their business; nor shall any such licensed person, under any
11 arrangement whatsoever, conduct his or her business upon property in
12 which any manufacturer, importer, distributor, or authorized
13 representative has any interest unless title to that property is owned
14 by a corporation in which a manufacturer has no direct stock ownership
15 and there are no interlocking officers or directors, the retail license
16 is held by a corporation that is not owned directly or indirectly by
17 the manufacturer, the sales of liquor are incidental to the primary
18 activity of operating the property either as a hotel or as an
19 amphitheater offering live musical and similar live entertainment
20 activities to the public, alcoholic beverages produced by the
21 manufacturer or any of its subsidiaries are not sold at the licensed
22 premises, and the board reviews the ownership and proposed method of
23 operation of all involved entities and determines that there will not
24 be an unacceptable level of control or undue influence over the
25 operation of the retail licensee. Except as provided in subsection (3)
26 of this section, no manufacturer, importer, distributor, or authorized
27 representative shall advance moneys or moneys' worth to a licensed
28 person under an arrangement, nor shall such licensed person receive,
29 under an arrangement, an advance of moneys or moneys' worth. "Person"
30 as used in this section only shall not include those state or federally
31 chartered banks, state or federally chartered savings and loan
32 associations, state or federally chartered mutual savings banks, or
33 institutional investors which are not controlled directly or indirectly
34 by a manufacturer, importer, distributor, or authorized representative
35 as long as the bank, savings and loan association, or institutional
36 investor does not influence or attempt to influence the purchasing
37 practices of the retailer with respect to alcoholic beverages. Except
38 as otherwise provided in this section, no manufacturer, importer,

1 distributor, or authorized representative shall be eligible to receive
2 or hold a retail license under this title, nor shall such manufacturer,
3 importer, distributor, or authorized representative sell at retail any
4 liquor as herein defined. A corporation granted an exemption under
5 this subsection may use debt instruments issued in connection with
6 financing construction or operations of its facilities.

7 (b) Nothing in this section shall prohibit a licensed domestic
8 brewery or microbrewery from being licensed as a retailer pursuant to
9 chapter 66.24 RCW for the purpose of selling beer or wine at retail on
10 the brewery premises and at one additional off-site retail only
11 location and nothing in this section shall prohibit a domestic winery
12 from being licensed as a retailer pursuant to chapter 66.24 RCW for the
13 purpose of selling beer or wine at retail on the winery premises. Such
14 beer and wine so sold at retail shall be subject to the taxes imposed
15 by RCW 66.24.290 and 66.24.210 and to reporting and bonding
16 requirements as prescribed by regulations adopted by the board pursuant
17 to chapter 34.05 RCW, and beer and wine that is not produced by the
18 brewery or winery shall be purchased from a licensed beer or wine
19 distributor.

20 (c) Nothing in this section shall prohibit a licensed distiller,
21 domestic brewery, microbrewery, domestic winery, or a lessee of a
22 licensed domestic brewer, microbrewery, or domestic winery, from being
23 licensed as a spirits, beer, and wine restaurant pursuant to chapter
24 66.24 RCW for the purpose of selling liquor at a spirits, beer, and
25 wine restaurant premises on the property on which the primary
26 manufacturing facility of the licensed distiller, domestic brewer,
27 microbrewery, or domestic winery is located or on contiguous property
28 owned or leased by the licensed distiller, domestic brewer,
29 microbrewery, or domestic winery as prescribed by rules adopted by the
30 board pursuant to chapter 34.05 RCW. This section does not prohibit a
31 brewery or microbrewery holding a spirits, beer, and wine restaurant
32 license or a beer and/or wine license under chapter 66.24 RCW operated
33 on the premises of the brewery or microbrewery from holding a second
34 retail only license at a location separate from the premises of the
35 brewery or microbrewery.

36 (d) Nothing in this section prohibits retail licensees with a
37 caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from
38 operating on a domestic winery premises.

1 (e) Nothing in this section prohibits an organization qualifying
2 under RCW 66.24.375 formed for the purpose of constructing and
3 operating a facility to promote Washington wines from holding retail
4 licenses on the facility property or leasing all or any portion of such
5 facility property to a retail licensee on the facility property if the
6 members of the board of directors or officers of the board for the
7 organization include officers, directors, owners, or employees of a
8 licensed domestic winery. Financing for the construction of the
9 facility must include both public and private money.

10 (f) Nothing in this section prohibits a bona fide charitable
11 nonprofit society or association registered (~~as a~~) under section
12 501(c)(3) ((under)) of the internal revenue code, or a local wine
13 industry association registered under section 501(c)(6) of the internal
14 revenue code as it exists on the effective date of this section, and
15 having an officer, director, owner, or employee of a licensed domestic
16 winery or a wine certificate of approval holder on its board of
17 directors from holding a special occasion license under RCW 66.24.380.

18 (g) Nothing in this section prohibits domestic wineries and
19 retailers licensed under chapter 66.24 RCW from jointly producing
20 brochures and materials promoting tourism in Washington state which
21 contain information regarding retail licensees, domestic wineries, and
22 their products.

23 (h) Nothing in this section prohibits domestic wineries and retail
24 licensees from identifying the wineries on private labels authorized
25 under RCW 66.24.400, 66.24.425, and 66.24.450.

26 (i) Until July 1, 2007, nothing in this section prohibits a
27 nonprofit statewide organization of microbreweries formed for the
28 purpose of promoting Washington's craft beer industry as a trade
29 association registered as a 501(c) with the internal revenue service
30 from holding a special occasion license to conduct up to six beer
31 festivals.

32 (2) Financial interest, direct or indirect, as used in this
33 section, shall include any interest, whether by stock ownership,
34 mortgage, lien, or through interlocking directors, or otherwise.
35 Pursuant to rules promulgated by the board in accordance with chapter
36 34.05 RCW manufacturers, distributors, and importers may perform, and
37 retailers may accept the service of building, rotating and restocking
38 case displays and stock room inventories; rotating and rearranging can

1 and bottle displays of their own products; provide point of sale
2 material and brand signs; price case goods of their own brands; and
3 perform such similar normal business services as the board may by
4 regulation prescribe.

5 (3)(a) This section does not prohibit a manufacturer, importer, or
6 distributor from providing services to a special occasion licensee for:
7 (i) Installation of draft beer dispensing equipment or advertising,
8 (ii) advertising, pouring, or dispensing of beer or wine at a beer or
9 wine tasting exhibition or judging event, or (iii) a special occasion
10 licensee from receiving any such services as may be provided by a
11 manufacturer, importer, or distributor. Nothing in this section shall
12 prohibit a retail licensee, or any person financially interested,
13 directly or indirectly, in such a retail licensee from having a
14 financial interest, direct or indirect, in a business which provides,
15 for a compensation commensurate in value to the services provided,
16 bottling, canning or other services to a manufacturer, so long as the
17 retail licensee or person interested therein has no direct financial
18 interest in or control of said manufacturer.

19 (b) A person holding contractual rights to payment from selling a
20 liquor distributor's business and transferring the license shall not be
21 deemed to have a financial interest under this section if the person
22 (i) lacks any ownership in or control of the distributor, (ii) is not
23 employed by the distributor, and (iii) does not influence or attempt to
24 influence liquor purchases by retail liquor licensees from the
25 distributor.

26 (c) The board shall adopt such rules as are deemed necessary to
27 carry out the purposes and provisions of subsection (3)(a) of this
28 section in accordance with the administrative procedure act, chapter
29 34.05 RCW.

30 (4) A license issued under RCW 66.24.395 does not constitute a
31 retail license for the purposes of this section.

32 (5) A public house license issued under RCW 66.24.580 does not
33 violate the provisions of this section as to a retailer having an
34 interest directly or indirectly in a liquor-licensed manufacturer.

35 **Sec. 3.** RCW 66.08.150 and 2003 c 320 s 1 are each amended to read
36 as follows:

37 The action, order, or decision of the board as to any denial of an

1 application for the reissuance of a permit or license or as to any
2 revocation, suspension, or modification of any permit or license shall
3 be an adjudicative proceeding and subject to the applicable provisions
4 of chapter 34.05 RCW.

5 (1) An opportunity for a hearing may be provided an applicant for
6 the reissuance of a permit or license prior to the disposition of the
7 application, and if no such opportunity for a prior hearing is provided
8 then an opportunity for a hearing to reconsider the application must be
9 provided the applicant.

10 (2) An opportunity for a hearing must be provided a permittee or
11 licensee prior to a revocation or modification of any permit or license
12 and, except as provided in subsection (4) of this section, prior to the
13 suspension of any permit or license.

14 (3) No hearing shall be required until demanded by the applicant,
15 permittee, or licensee.

16 (4) The board may summarily suspend a license or permit for a
17 period of up to one hundred eighty days without a prior hearing if it
18 finds that public health, safety, or welfare imperatively require
19 emergency action, and it incorporates a finding to that effect in its
20 order(~~(; and)~~). Proceedings for revocation or other action must be
21 promptly instituted and determined. An administrative law judge may
22 extend the summary suspension period for up to one calendar year in the
23 event the proceedings for revocation or other action cannot be
24 completed during the initial one hundred eighty day period due to
25 actions by the licensee or permittee. The board's enforcement division
26 shall complete a preliminary staff investigation of the violation
27 before requesting an emergency suspension by the board.

28 **Sec. 4.** RCW 66.24.244 and 2006 c 302 s 3 and 2006 c 44 s 2 are
29 each reenacted and amended to read as follows:

30 (1) There shall be a license for microbreweries; fee to be one
31 hundred dollars for production of less than sixty thousand barrels of
32 malt liquor, including strong beer, per year.

33 (2) Any microbrewery license under this section may also act as a
34 distributor and/or retailer for beer and strong beer of its own
35 production. Any microbrewery licensed under this section may act as a
36 distributor for beer of its own production. Strong beer may not be
37 sold at a farmers market or under any endorsement which may authorize

1 microbreweries to sell beer at farmers markets. Any microbrewery
2 operating as a distributor and/or retailer under this subsection shall
3 comply with the applicable laws and rules relating to distributors
4 and/or retailers. A microbrewery holding a spirits, beer, and wine
5 restaurant license may sell beer of its own production for off-premises
6 consumption from its restaurant premises in kegs or in a sanitary
7 container brought to the premises by the purchaser or furnished by the
8 licensee and filled at the tap by the licensee at the time of sale.

9 ~~((+3))~~ (a) The board may issue an endorsement to this license
10 allowing for on-premises consumption of beer, including strong beer,
11 wine, or both of other manufacture if purchased from a Washington
12 state-licensed distributor. Each endorsement shall cost two hundred
13 dollars per year, or four hundred dollars per year allowing the sale
14 and service of both beer and wine.

15 ~~((+4))~~ (b) The microbrewer obtaining such endorsement must
16 determine, at the time the endorsement is issued, whether the licensed
17 premises will be operated ~~((either))~~ as a tavern with persons under
18 twenty-one years of age not allowed as provided for in RCW 66.24.330,
19 or as a beer and/or wine restaurant as described in RCW 66.24.320.

20 ~~((+5))~~ (3) A microbrewery may hold a retail license under this
21 chapter. This retail license is separate from the brewery license.
22 The licensee may exercise any of the privileges and endorsements
23 granted under the retail license. If the licensee holds a separate
24 license for a spirits, beer, and wine restaurant or a beer and/or wine
25 license operated on the brewery premises, the licensee may hold a
26 second retail license for a spirits, beer, and wine restaurant license
27 or a beer and/or wine license at a location separate from the licensed
28 brewery premises.

29 (4)(a) A microbrewery licensed under this section may apply to the
30 board for an endorsement to sell bottled beer of its own production at
31 retail for off-premises consumption at a qualifying farmers market.
32 The annual fee for this endorsement is seventy-five dollars.

33 (b) For each month during which a microbrewery will sell beer at a
34 qualifying farmers market, the microbrewery must provide the board or
35 its designee a list of the dates, times, and locations at which bottled
36 beer may be offered for sale. This list must be received by the board
37 before the microbrewery may offer beer for sale at a qualifying farmers
38 market.

1 (c) The beer sold at qualifying farmers markets must be produced in
2 Washington.

3 (d) Each approved location in a qualifying farmers market is deemed
4 to be part of the microbrewery license for the purpose of this title.
5 The approved locations under an endorsement granted under this
6 subsection (~~((+5+))~~) (3) do not constitute the tasting or sampling
7 privilege of a microbrewery. The microbrewery may not store beer at a
8 farmers market beyond the hours that the microbrewery offers bottled
9 beer for sale. The microbrewery may not act as a distributor from a
10 farmers market location.

11 (e) Before a microbrewery may sell bottled beer at a qualifying
12 farmers market, the farmers market must apply to the board for
13 authorization for any microbrewery with an endorsement approved under
14 this subsection (~~((+5+))~~) (3) to sell bottled beer at retail at the
15 farmers market. This application shall include, at a minimum: (i) A
16 map of the farmers market showing all booths, stalls, or other
17 designated locations at which an approved microbrewery may sell bottled
18 beer; and (ii) the name and contact information for the on-site market
19 managers who may be contacted by the board or its designee to verify
20 the locations at which bottled beer may be sold. Before authorizing a
21 qualifying farmers market to allow an approved microbrewery to sell
22 bottled beer at retail at its farmers market location, the board shall
23 notify the persons or entities of the application for authorization
24 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
25 this subsection (~~((+5+))~~) (3)(e) may be withdrawn by the board for any
26 violation of this title or any rules adopted under this title.

27 (f) The board may adopt rules establishing the application and
28 approval process under this section and any additional rules necessary
29 to implement this section.

30 (g) For the purposes of this subsection (~~((+5+))~~) (3):

31 (i) "Qualifying farmers market" means an entity that sponsors a
32 regular assembly of vendors at a defined location for the purpose of
33 promoting the sale of agricultural products grown or produced in this
34 state directly to the consumer under conditions that meet the following
35 minimum requirements:

36 (A) There are at least five participating vendors who are farmers
37 selling their own agricultural products;

1 (B) The total combined gross annual sales of vendors who are
2 farmers exceeds the total combined gross annual sales of vendors who
3 are processors or resellers;

4 (C) The total combined gross annual sales of vendors who are
5 farmers, processors, or resellers exceeds the total combined gross
6 annual sales of vendors who are not farmers, processors, or resellers;

7 (D) The sale of imported items and secondhand items by any vendor
8 is prohibited; and

9 (E) No vendor is a franchisee.

10 (ii) "Farmer" means a natural person who sells, with or without
11 processing, agricultural products that he or she raises on land he or
12 she owns or leases in this state or in another state's county that
13 borders this state.

14 (iii) "Processor" means a natural person who sells processed food
15 that he or she has personally prepared on land he or she owns or leases
16 in this state or in another state's county that borders this state.

17 (iv) "Reseller" means a natural person who buys agricultural
18 products from a farmer and resells the products directly to the
19 consumer.

20 **Sec. 5.** RCW 66.24.244 and 2006 c 44 s 2 are each amended to read
21 as follows:

22 (1) There shall be a license for microbreweries; fee to be one
23 hundred dollars for production of less than sixty thousand barrels of
24 malt liquor, including strong beer, per year.

25 (2) Any microbrewery license under this section may also act as a
26 distributor and/or retailer for beer and strong beer of its own
27 production. Strong beer may not be sold at a farmers market or under
28 any endorsement which may authorize microbreweries to sell beer at
29 farmers markets. Any microbrewery operating as a distributor and/or
30 retailer under this subsection shall comply with the applicable laws
31 and rules relating to distributors and/or retailers. A microbrewery
32 holding a spirits, beer, and wine restaurant license may sell beer of
33 its own production for off-premises consumption from its restaurant
34 premises in kegs or in a sanitary container brought to the premises by
35 the purchaser or furnished by the licensee and filled at the tap by the
36 licensee at the time of sale.

1 ~~((+3))~~ (a) The board may issue an endorsement to this license
2 allowing for on-premises consumption of beer, including strong beer,
3 wine, or both of other manufacture if purchased from a Washington
4 state-licensed distributor. Each endorsement shall cost two hundred
5 dollars per year, or four hundred dollars per year allowing the sale
6 and service of both beer and wine.

7 ~~((+4))~~ (b) The microbrewer obtaining such endorsement must
8 determine, at the time the endorsement is issued, whether the licensed
9 premises will be operated ~~((either))~~ as a tavern with persons under
10 twenty-one years of age not allowed as provided for in RCW 66.24.330,
11 or as a beer and/or wine restaurant as described in RCW 66.24.320.

12 ~~((+5))~~ (3) A microbrewery may hold a retail license under this
13 chapter. This retail license is separate from the brewery license.
14 The licensee may exercise any of the privileges and endorsements
15 granted under the retail license. If the licensee holds a separate
16 license for a spirits, beer, and wine restaurant or a beer and/or wine
17 license operated on the brewery premises, the licensee may hold a
18 second retail license for a spirits, beer, and wine restaurant license
19 or a beer and/or wine license at a location separate from the licensed
20 brewery premises.

21 (4)(a) A microbrewery licensed under this section may apply to the
22 board for an endorsement to sell bottled beer of its own production at
23 retail for off-premises consumption at a qualifying farmers market.
24 The annual fee for this endorsement is seventy-five dollars.

25 (b) For each month during which a microbrewery will sell beer at a
26 qualifying farmers market, the microbrewery must provide the board or
27 its designee a list of the dates, times, and locations at which bottled
28 beer may be offered for sale. This list must be received by the board
29 before the microbrewery may offer beer for sale at a qualifying farmers
30 market.

31 (c) The beer sold at qualifying farmers markets must be produced in
32 Washington.

33 (d) Each approved location in a qualifying farmers market is deemed
34 to be part of the microbrewery license for the purpose of this title.
35 The approved locations under an endorsement granted under this
36 subsection ~~((+5))~~ (3) do not constitute the tasting or sampling
37 privilege of a microbrewery. The microbrewery may not store beer at a

1 farmers market beyond the hours that the microbrewery offers bottled
2 beer for sale. The microbrewery may not act as a distributor from a
3 farmers market location.

4 (e) Before a microbrewery may sell bottled beer at a qualifying
5 farmers market, the farmers market must apply to the board for
6 authorization for any microbrewery with an endorsement approved under
7 this subsection (~~((+5+))~~) (3) to sell bottled beer at retail at the
8 farmers market. This application shall include, at a minimum: (i) A
9 map of the farmers market showing all booths, stalls, or other
10 designated locations at which an approved microbrewery may sell bottled
11 beer; and (ii) the name and contact information for the on-site market
12 managers who may be contacted by the board or its designee to verify
13 the locations at which bottled beer may be sold. Before authorizing a
14 qualifying farmers market to allow an approved microbrewery to sell
15 bottled beer at retail at its farmers market location, the board shall
16 notify the persons or entities of the application for authorization
17 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
18 this subsection (~~((+5+))~~) (3)(e) may be withdrawn by the board for any
19 violation of this title or any rules adopted under this title.

20 (f) The board may adopt rules establishing the application and
21 approval process under this section and any additional rules necessary
22 to implement this section.

23 (g) For the purposes of this subsection (~~((+5+))~~) (3):

24 (i) "Qualifying farmers market" means an entity that sponsors a
25 regular assembly of vendors at a defined location for the purpose of
26 promoting the sale of agricultural products grown or produced in this
27 state directly to the consumer under conditions that meet the following
28 minimum requirements:

29 (A) There are at least five participating vendors who are farmers
30 selling their own agricultural products;

31 (B) The total combined gross annual sales of vendors who are
32 farmers exceeds the total combined gross annual sales of vendors who
33 are processors or resellers;

34 (C) The total combined gross annual sales of vendors who are
35 farmers, processors, or resellers exceeds the total combined gross
36 annual sales of vendors who are not farmers, processors, or resellers;

37 (D) The sale of imported items and secondhand items by any vendor
38 is prohibited; and

1 (E) No vendor is a franchisee.

2 (ii) "Farmer" means a natural person who sells, with or without
3 processing, agricultural products that he or she raises on land he or
4 she owns or leases in this state or in another state's county that
5 borders this state.

6 (iii) "Processor" means a natural person who sells processed food
7 that he or she has personally prepared on land he or she owns or leases
8 in this state or in another state's county that borders this state.

9 (iv) "Reseller" means a natural person who buys agricultural
10 products from a farmer and resells the products directly to the
11 consumer.

12 **Sec. 6.** RCW 66.24.240 and 2006 c 302 s 2 and 2006 c 44 s 1 are
13 each reenacted and amended to read as follows:

14 (1) There shall be a license for domestic breweries; fee to be two
15 thousand dollars for production of sixty thousand barrels or more of
16 malt liquor per year.

17 (2) Any domestic brewery, except for a brand owner of malt
18 beverages under RCW 66.04.010(6), licensed under this section may also
19 act as a retailer for beer of its own production. Any domestic brewery
20 licensed under this section may act as a distributor for beer of its
21 own production. Any domestic brewery operating as a distributor and/or
22 retailer under this subsection shall comply with the applicable laws
23 and rules relating to distributors and/or retailers. A domestic
24 brewery holding a spirits, beer, and wine restaurant license may sell
25 beer of its own production for off-premises consumption from its
26 restaurant premises in kegs or in a sanitary container brought to the
27 premises by the purchaser or furnished by the licensee and filled at
28 the tap by the licensee at the time of sale.

29 (3) A domestic brewery may hold a retail license under this
30 chapter. This retail license is separate from the brewery license.
31 The licensee may exercise any of the privileges and endorsements
32 granted under the retail license. If the licensee holds a separate
33 license for a spirits, beer, and wine restaurant or a beer and/or wine
34 restaurant operated on the brewery premises, the licensee may hold a
35 second retail license for a spirits, beer, and wine restaurant license
36 or a beer and/or wine restaurant license at a location separate from
37 the brewery premises.

1 (4) Any domestic brewery licensed under this section may contract-
2 produce beer for a brand owner of malt beverages defined under RCW
3 66.04.010(6), and this contract-production is not a sale for the
4 purposes of RCW 66.28.170 and 66.28.180.

5 (~~(4)~~) (5)(a) A domestic brewery licensed under this section and
6 qualified for a reduced rate of taxation pursuant to RCW
7 66.24.290(3)(b) may apply to the board for an endorsement to sell
8 bottled beer of its own production at retail for off-premises
9 consumption at a qualifying farmers market. The annual fee for this
10 endorsement is seventy-five dollars.

11 (b) For each month during which a domestic brewery will sell beer
12 at a qualifying farmers market, the domestic brewery must provide the
13 board or its designee a list of the dates, times, and locations at
14 which bottled beer may be offered for sale. This list must be received
15 by the board before the domestic brewery may offer beer for sale at a
16 qualifying farmers market.

17 (c) The beer sold at qualifying farmers markets must be produced in
18 Washington.

19 (d) Each approved location in a qualifying farmers market is deemed
20 to be part of the domestic brewery license for the purpose of this
21 title. The approved locations under an endorsement granted under this
22 subsection do not include the tasting or sampling privilege of a
23 domestic brewery. The domestic brewery may not store beer at a farmers
24 market beyond the hours that the domestic brewery offers bottled beer
25 for sale. The domestic brewery may not act as a distributor from a
26 farmers market location.

27 (e) Before a domestic brewery may sell bottled beer at a qualifying
28 farmers market, the farmers market must apply to the board for
29 authorization for any domestic brewery with an endorsement approved
30 under this subsection to sell bottled beer at retail at the farmers
31 market. This application shall include, at a minimum: (i) A map of
32 the farmers market showing all booths, stalls, or other designated
33 locations at which an approved domestic brewery may sell bottled beer;
34 and (ii) the name and contact information for the on-site market
35 managers who may be contacted by the board or its designee to verify
36 the locations at which bottled beer may be sold. Before authorizing a
37 qualifying farmers market to allow an approved domestic brewery to sell
38 bottled beer at retail at its farmers market location, the board shall

1 notify the persons or entities of such application for authorization
2 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
3 this subsection (~~((4))~~) (5)(e) may be withdrawn by the board for any
4 violation of this title or any rules adopted under this title.

5 (f) The board may adopt rules establishing the application and
6 approval process under this section and such additional rules as may be
7 necessary to implement this section.

8 (g) For the purposes of this subsection:

9 (i) "Qualifying farmers market" means an entity that sponsors a
10 regular assembly of vendors at a defined location for the purpose of
11 promoting the sale of agricultural products grown or produced in this
12 state directly to the consumer under conditions that meet the following
13 minimum requirements:

14 (A) There are at least five participating vendors who are farmers
15 selling their own agricultural products;

16 (B) The total combined gross annual sales of vendors who are
17 farmers exceeds the total combined gross annual sales of vendors who
18 are processors or resellers;

19 (C) The total combined gross annual sales of vendors who are
20 farmers, processors, or resellers exceeds the total combined gross
21 annual sales of vendors who are not farmers, processors, or resellers;

22 (D) The sale of imported items and secondhand items by any vendor
23 is prohibited; and

24 (E) No vendor is a franchisee.

25 (ii) "Farmer" means a natural person who sells, with or without
26 processing, agricultural products that he or she raises on land he or
27 she owns or leases in this state or in another state's county that
28 borders this state.

29 (iii) "Processor" means a natural person who sells processed food
30 that he or she has personally prepared on land he or she owns or leases
31 in this state or in another state's county that borders this state.

32 (iv) "Reseller" means a natural person who buys agricultural
33 products from a farmer and resells the products directly to the
34 consumer.

35 **Sec. 7.** RCW 66.24.240 and 2006 c 44 s 1 are each amended to read
36 as follows:

1 (1) There shall be a license for domestic breweries; fee to be two
2 thousand dollars for production of sixty thousand barrels or more of
3 malt liquor per year.

4 (2) Any domestic brewery, except for a brand owner of malt
5 beverages under RCW 66.04.010(6), licensed under this section may also
6 act as a distributor and/or retailer for beer of its own production.
7 Any domestic brewery operating as a distributor and/or retailer under
8 this subsection shall comply with the applicable laws and rules
9 relating to distributors and/or retailers. A domestic brewery holding
10 a spirits, beer, and wine restaurant license may sell beer of its own
11 production for off-premises consumption from its restaurant premises in
12 kegs or in a sanitary container brought to the premises by the
13 purchaser or furnished by the licensee and filled at the tap by the
14 licensee at the time of sale.

15 (3) A domestic brewery may hold a retail license under this
16 chapter. This retail license is separate from the brewery license.
17 The licensee may exercise any of the privileges and endorsements
18 granted under the retail license. If the licensee holds a separate
19 license for a spirits, beer, and wine restaurant or a beer and/or wine
20 restaurant operated on the brewery premises, the licensee may hold a
21 second retail license for a spirits, beer, and wine restaurant license
22 or a beer and/or wine restaurant license at a location separate from
23 the brewery premises.

24 (4) Any domestic brewery licensed under this section may contract-
25 produce beer for a brand owner of malt beverages defined under RCW
26 66.04.010(6), and this contract-production is not a sale for the
27 purposes of RCW 66.28.170 and 66.28.180.

28 ((+4)) (5)(a) A domestic brewery licensed under this section and
29 qualified for a reduced rate of taxation pursuant to RCW
30 66.24.290(3)(b) may apply to the board for an endorsement to sell
31 bottled beer of its own production at retail for off-premises
32 consumption at a qualifying farmers market. The annual fee for this
33 endorsement is seventy-five dollars.

34 (b) For each month during which a domestic brewery will sell beer
35 at a qualifying farmers market, the domestic brewery must provide the
36 board or its designee a list of the dates, times, and locations at
37 which bottled beer may be offered for sale. This list must be received

1 by the board before the domestic brewery may offer beer for sale at a
2 qualifying farmers market.

3 (c) The beer sold at qualifying farmers markets must be produced in
4 Washington.

5 (d) Each approved location in a qualifying farmers market is deemed
6 to be part of the domestic brewery license for the purpose of this
7 title. The approved locations under an endorsement granted under this
8 subsection do not include the tasting or sampling privilege of a
9 domestic brewery. The domestic brewery may not store beer at a farmers
10 market beyond the hours that the domestic brewery offers bottled beer
11 for sale. The domestic brewery may not act as a distributor from a
12 farmers market location.

13 (e) Before a domestic brewery may sell bottled beer at a qualifying
14 farmers market, the farmers market must apply to the board for
15 authorization for any domestic brewery with an endorsement approved
16 under this subsection to sell bottled beer at retail at the farmers
17 market. This application shall include, at a minimum: (i) A map of
18 the farmers market showing all booths, stalls, or other designated
19 locations at which an approved domestic brewery may sell bottled beer;
20 and (ii) the name and contact information for the on-site market
21 managers who may be contacted by the board or its designee to verify
22 the locations at which bottled beer may be sold. Before authorizing a
23 qualifying farmers market to allow an approved domestic brewery to sell
24 bottled beer at retail at its farmers market location, the board shall
25 notify the persons or entities of such application for authorization
26 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
27 this subsection (~~((4))~~) (5)(e) may be withdrawn by the board for any
28 violation of this title or any rules adopted under this title.

29 (f) The board may adopt rules establishing the application and
30 approval process under this section and such additional rules as may be
31 necessary to implement this section.

32 (g) For the purposes of this subsection:

33 (i) "Qualifying farmers market" means an entity that sponsors a
34 regular assembly of vendors at a defined location for the purpose of
35 promoting the sale of agricultural products grown or produced in this
36 state directly to the consumer under conditions that meet the following
37 minimum requirements:

1 (A) There are at least five participating vendors who are farmers
2 selling their own agricultural products;

3 (B) The total combined gross annual sales of vendors who are
4 farmers exceeds the total combined gross annual sales of vendors who
5 are processors or resellers;

6 (C) The total combined gross annual sales of vendors who are
7 farmers, processors, or resellers exceeds the total combined gross
8 annual sales of vendors who are not farmers, processors, or resellers;

9 (D) The sale of imported items and secondhand items by any vendor
10 is prohibited; and

11 (E) No vendor is a franchisee.

12 (ii) "Farmer" means a natural person who sells, with or without
13 processing, agricultural products that he or she raises on land he or
14 she owns or leases in this state or in another state's county that
15 borders this state.

16 (iii) "Processor" means a natural person who sells processed food
17 that he or she has personally prepared on land he or she owns or leases
18 in this state or in another state's county that borders this state.

19 (iv) "Reseller" means a natural person who buys agricultural
20 products from a farmer and resells the products directly to the
21 consumer.

22 **Sec. 8.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are
23 each reenacted and amended to read as follows:

24 (1) The spirits, beer, and wine restaurant license shall be issued
25 in accordance with the following schedule of annual fees:

26 (a) The annual fee for a spirits, beer, and wine restaurant license
27 shall be graduated according to the dedicated dining area and type of
28 service provided as follows:

| | | |
|----|-------------------------------------|---------|
| 29 | Less than 50% dedicated dining area | \$2,000 |
| 30 | 50% or more dedicated dining area | \$1,600 |
| 31 | Service bar only | \$1,000 |

32 (b) The annual fee for the license when issued to any other
33 spirits, beer, and wine restaurant licensee outside of incorporated
34 cities and towns shall be prorated according to the calendar quarters,
35 or portion thereof, during which the licensee is open for business,
36 except in case of suspension or revocation of the license.

1 (c) Where the license shall be issued to any corporation,
2 association or person operating a bona fide restaurant in an airport
3 terminal facility providing service to transient passengers with more
4 than one place where liquor is to be dispensed and sold, such license
5 shall be issued upon the payment of the annual fee, which shall be a
6 master license and shall permit such sale within and from one such
7 place. Such license may be extended to additional places on the
8 premises at the discretion of the board and a duplicate license may be
9 issued for each such additional place. The holder of a master license
10 for a restaurant in an airport terminal facility must maintain in a
11 substantial manner at least one place on the premises for preparing,
12 cooking, and serving of complete meals, and such food service shall be
13 available on request in other licensed places on the premises. An
14 additional license fee of twenty-five percent of the annual master
15 license fee shall be required for such duplicate licenses.

16 (d) Where the license shall be issued to any corporation,
17 association, or person operating dining places at a publicly or
18 privately owned civic or convention center with facilities for sports,
19 entertainment, or conventions, or a combination thereof, with more than
20 one place where liquor is to be dispensed and sold, such license shall
21 be issued upon the payment of the annual fee, which shall be a master
22 license and shall permit such sale within and from one such place.
23 Such license may be extended to additional places on the premises at
24 the discretion of the board and a duplicate license may be issued for
25 each such additional place. The holder of a master license for a
26 dining place at such a publicly or privately owned civic or convention
27 center must maintain in a substantial manner at least one place on the
28 premises for preparing, cooking, and serving of complete meals, and
29 food service shall be available on request in other licensed places on
30 the premises. An additional license fee of ten dollars shall be
31 required for such duplicate licenses.

32 (e) Where the license shall be issued to any corporation,
33 association or person operating more than one building containing
34 dining places at privately owned facilities which are open to the
35 public and where there is a continuity of ownership of all adjacent
36 property, such license shall be issued upon the payment of an annual
37 fee which shall be a master license and shall permit such sale within
38 and from one such place. Such license may be extended to the

1 additional dining places on the property or, in the case of a spirits,
2 beer, and wine restaurant licensed hotel, property owned or controlled
3 by leasehold interest by that hotel for use as a conference or
4 convention center or banquet facility open to the general public for
5 special events in the same metropolitan area, at the discretion of the
6 board and a duplicate license may be issued for each additional place.
7 The holder of the master license for the dining place shall not offer
8 alcoholic beverages for sale, service, and consumption at the
9 additional place unless food service is available at both the location
10 of the master license and the duplicate license. An additional license
11 fee of twenty dollars shall be required for such duplicate licenses.

12 (2) The board, so far as in its judgment is reasonably possible,
13 shall confine spirits, beer, and wine restaurant licenses to the
14 business districts of cities and towns and other communities, and not
15 grant such licenses in residential districts, nor within the immediate
16 vicinity of schools, without being limited in the administration of
17 this subsection to any specific distance requirements.

18 (3) The board shall have discretion to issue spirits, beer, and
19 wine restaurant licenses outside of cities and towns in the state of
20 Washington. The purpose of this subsection is to enable the board, in
21 its discretion, to license in areas outside of cities and towns and
22 other communities, establishments which are operated and maintained
23 primarily for the benefit of tourists, vacationers and travelers, and
24 also golf and country clubs, and common carriers operating dining, club
25 and buffet cars, or boats.

26 (4) The total number of spirits, beer, and wine restaurant licenses
27 issued in the state of Washington by the board, not including spirits,
28 beer, and wine private club licenses, shall not in the aggregate at any
29 time exceed one license for each one thousand (~~four~~) three hundred
30 (~~fifty~~) of population in the state, determined according to the
31 yearly population determination developed by the office of financial
32 management pursuant to RCW 43.62.030.

33 (5) Notwithstanding the provisions of subsection (4) of this
34 section, the board shall refuse a spirits, beer, and wine restaurant
35 license to any applicant if in the opinion of the board the spirits,
36 beer, and wine restaurant licenses already granted for the particular
37 locality are adequate for the reasonable needs of the community.

1 (6)(a) The board may issue a caterer's endorsement to this license
2 to allow the licensee to remove the liquor stocks at the licensed
3 premises, for use as liquor for sale and service at event locations at
4 a specified date and, except as provided in (~~subsection (7) of~~) this
5 section, place not currently licensed by the board. If the event is
6 open to the public, it must be sponsored by a society or organization
7 as defined by RCW 66.24.375. If attendance at the event is limited to
8 members or invited guests of the sponsoring individual, society, or
9 organization, the requirement that the sponsor must be a society or
10 organization as defined by RCW 66.24.375 is waived. Cost of the
11 endorsement is three hundred fifty dollars.

12 (b) The holder of this license with a catering endorsement shall,
13 if requested by the board, notify the board or its designee of the
14 date, time, place, and location of any catered event. Upon request,
15 the licensee shall provide to the board all necessary or requested
16 information concerning the society or organization that will be holding
17 the function at which the endorsed license will be utilized.

18 (c) The holder of this license with a caterer's endorsement may,
19 under conditions established by the board, store liquor on the premises
20 of another not licensed by the board so long as there is a written
21 agreement between the licensee and the other party to provide for
22 ongoing catering services, the agreement contains no exclusivity
23 clauses regarding the alcoholic beverages to be served, and the
24 agreement is filed with the board.

25 (d) The holder of this license with a caterer's endorsement may,
26 under conditions established by the board, store liquor on other
27 premises operated by the licensee so long as the other premises are
28 owned or controlled by a leasehold interest by that licensee. A
29 duplicate license may be issued for each additional premises. A
30 license fee of twenty dollars shall be required for such duplicate
31 licenses.

32 (7) Licensees under this section that hold a caterer's endorsement
33 are allowed to use this endorsement on a domestic winery premises or on
34 the premises of a passenger vessel and may store liquor at such
35 premises under conditions established by the board under the following
36 conditions:

37 (a) Agreements between the domestic winery or passenger vessel, as

1 the case may be, and the retail licensee shall be in writing, contain
2 no exclusivity clauses regarding the (~~alcohol~~) alcoholic beverages to
3 be served, and be filed with the board; and

4 (b) The domestic winery or passenger vessel, as the case may be,
5 and the retail licensee shall be separately contracted and compensated
6 by the persons sponsoring the event for their respective services.

7 **Sec. 9.** RCW 66.24.320 and 2006 c 362 s 1 and 2006 c 101 s 2 are
8 each reenacted and amended to read as follows:

9 There shall be a beer and/or wine restaurant license to sell beer,
10 including strong beer, or wine, or both, at retail, for consumption on
11 the premises. A patron of the licensee may remove from the premises,
12 recorked or recapped in its original container, any portion of wine
13 that was purchased for consumption with a meal.

14 (1) The annual fee shall be two hundred dollars for the beer
15 license, two hundred dollars for the wine license, or four hundred
16 dollars for a combination beer and wine license.

17 (2)(a) The board may issue a caterer's endorsement to this license
18 to allow the licensee to remove from the liquor stocks at the licensed
19 premises, only those types of liquor that are authorized under the on-
20 premises license privileges for sale and service at event locations at
21 a specified date and, except as provided in (~~subsection (3) of~~) this
22 section, place not currently licensed by the board. If the event is
23 open to the public, it must be sponsored by a society or organization
24 as defined by RCW 66.24.375. If attendance at the event is limited to
25 members or invited guests of the sponsoring individual, society, or
26 organization, the requirement that the sponsor must be a society or
27 organization as defined by RCW 66.24.375 is waived. Cost of the
28 endorsement is three hundred fifty dollars.

29 (b) The holder of this license with catering endorsement shall, if
30 requested by the board, notify the board or its designee of the date,
31 time, place, and location of any catered event. Upon request, the
32 licensee shall provide to the board all necessary or requested
33 information concerning the society or organization that will be holding
34 the function at which the endorsed license will be utilized.

35 (c) The holder of this license with a caterer's endorsement may,
36 under conditions established by the board, store liquor on other
37 premises operated by the licensee so long as the other premises are

1 owned or controlled by a leasehold interest by that licensee. A
2 duplicate license may be issued for each additional premises. A
3 license fee of twenty dollars shall be required for such duplicate
4 licenses.

5 (3) Licensees under this section that hold a caterer's endorsement
6 are allowed to use this endorsement on a domestic winery premises or on
7 the premises of a passenger vessel and may store liquor at such
8 premises under conditions established by the board under the following
9 conditions:

10 (a) Agreements between the domestic winery or the passenger vessel,
11 as the case may be, and the retail licensee shall be in writing,
12 contain no exclusivity clauses regarding the (~~alcohol~~) alcoholic
13 beverages to be served, and be filed with the board; and

14 (b) The domestic winery or passenger vessel, as the case may be,
15 and the retail licensee shall be separately contracted and compensated
16 by the persons sponsoring the event for their respective services.

17 (4) The holder of this license or its manager may furnish beer or
18 wine to the licensee's employees free of charge as may be required for
19 use in connection with instruction on beer and wine. The instruction
20 may include the history, nature, values, and characteristics of beer or
21 wine, the use of wine lists, and the methods of presenting, serving,
22 storing, and handling beer or wine. The beer and/or wine licensee must
23 use the beer or wine it obtains under its license for the sampling as
24 part of the instruction. The instruction must be given on the premises
25 of the beer and/or wine licensee.

26 (5) If the license is issued to a person who contracts with the
27 Washington state ferry system to provide food and alcohol service on a
28 designated ferry route, the license shall cover any vessel assigned to
29 the designated route. A separate license is required for each
30 designated ferry route.

31 **Sec. 10.** RCW 66.04.010 and 2006 c 225 s 1 and 2006 c 101 s 1 are
32 each reenacted and amended to read as follows:

33 In this title, unless the context otherwise requires:

34 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
35 oxide of ethyl, or spirit of wine, which is commonly produced by the
36 fermentation or distillation of grain, starch, molasses, or sugar, or
37 other substances including all dilutions and mixtures of this

1 substance. The term "alcohol" does not include alcohol in the
2 possession of a manufacturer or distiller of alcohol fuel, as described
3 in RCW 66.12.130, which is intended to be denatured and used as a fuel
4 for use in motor vehicles, farm implements, and machines or implements
5 of husbandry.

6 (2) "Authorized representative" means a person who:

7 (a) Is required to have a federal basic permit issued pursuant to
8 the federal alcohol administration act, 27 U.S.C. Sec. 204;

9 (b) Has its business located in the United States outside of the
10 state of Washington;

11 (c) Acquires ownership of beer or wine for transportation into and
12 resale in the state of Washington; and which beer or wine is produced
13 anywhere outside Washington by a brewery or winery which does not hold
14 a certificate of approval issued by the board; and

15 (d) Is appointed by the brewery or winery referenced in (c) of this
16 subsection as its exclusive authorized representative for marketing and
17 selling its products within the United States in accordance with a
18 written agreement between the authorized representative and such
19 brewery or winery pursuant to this title. The board may waive the
20 requirement for the written agreement of exclusivity in situations
21 consistent with the normal marketing practices of certain products,
22 such as classified growths.

23 (3) "Beer" means any malt beverage, flavored malt beverage, or malt
24 liquor as these terms are defined in this chapter.

25 (4) "Beer distributor" means a person who buys beer from a domestic
26 brewery, microbrewery, beer certificate of approval holder, or beer
27 importers, or who acquires foreign produced beer from a source outside
28 of the United States, for the purpose of selling the same pursuant to
29 this title, or who represents such brewer or brewery as agent.

30 (5) "Beer importer" means a person or business within Washington
31 who purchases beer from a beer certificate of approval holder or who
32 acquires foreign produced beer from a source outside of the United
33 States for the purpose of selling the same pursuant to this title.

34 (6) "Brewer" or "brewery" means any person engaged in the business
35 of manufacturing beer and malt liquor. Brewer includes a brand owner
36 of malt beverages who holds a brewer's notice with the federal bureau
37 of alcohol, tobacco, and firearms at a location outside the state and
38 whose malt beverage is contract-produced by a licensed in-state

1 brewery, and who may exercise within the state, under a domestic
2 brewery license, only the privileges of storing, selling to licensed
3 beer distributors, and exporting beer from the state.

4 (7) "Board" means the liquor control board, constituted under this
5 title.

6 (8) "Club" means an organization of persons, incorporated or
7 unincorporated, operated solely for fraternal, benevolent, educational,
8 athletic or social purposes, and not for pecuniary gain.

9 (9) "Consume" includes the putting of liquor to any use, whether by
10 drinking or otherwise.

11 (10) "Contract liquor store" means a business that sells liquor on
12 behalf of the board through a contract with a contract liquor store
13 manager.

14 (11) "Dentist" means a practitioner of dentistry duly and regularly
15 licensed and engaged in the practice of his profession within the state
16 pursuant to chapter 18.32 RCW.

17 (12) "Distiller" means a person engaged in the business of
18 distilling spirits.

19 (13) "Domestic brewery" means a place where beer and malt liquor
20 are manufactured or produced by a brewer within the state.

21 (14) "Domestic winery" means a place where wines are manufactured
22 or produced within the state of Washington.

23 (15) "Druggist" means any person who holds a valid certificate and
24 is a registered pharmacist and is duly and regularly engaged in
25 carrying on the business of pharmaceutical chemistry pursuant to
26 chapter 18.64 RCW.

27 (16) "Drug store" means a place whose principal business is, the
28 sale of drugs, medicines and pharmaceutical preparations and maintains
29 a regular prescription department and employs a registered pharmacist
30 during all hours the drug store is open.

31 (17) "Employee" means any person employed by the board.

32 (18) "Flavored malt beverage" means:

33 (a) A malt beverage containing six percent or less alcohol by
34 volume to which flavoring or other added nonbeverage ingredients are
35 added that contain distilled spirits of not more than forty-nine
36 percent of the beverage's overall alcohol content; or

37 (b) A malt beverage containing more than six percent alcohol by

1 volume to which flavoring or other added nonbeverage ingredients are
2 added that contain distilled spirits of not more than one and one-half
3 percent of the beverage's overall alcohol content.

4 (19) "Fund" means 'liquor revolving fund.'

5 (20) "Hotel" means (~~every building or other structure~~) buildings,
6 structures, and grounds, having facilities for preparing, cooking, and
7 serving food, that are kept, used, maintained, advertised, or held out
8 to the public to be a place where food is served and sleeping
9 accommodations are offered for pay to transient guests, in which twenty
10 or more rooms are used for the sleeping accommodation of such transient
11 guests (~~and having one or more dining rooms where meals are served to~~
12 ~~such transient guests, such sleeping accommodations and dining rooms~~
13 ~~being conducted in the same building and buildings, in connection~~
14 ~~therewith, and such structure or structures being provided, in the~~
15 ~~judgment of the board, with adequate and sanitary kitchen and dining~~
16 ~~room equipment and capacity, for preparing, cooking and serving~~
17 ~~suitable food for its guests: PROVIDED FURTHER, That in cities and~~
18 ~~towns of less than five thousand population, the board shall have~~
19 ~~authority to waive the provisions requiring twenty or more rooms)).
20 The buildings, structures, and grounds must be located on adjacent
21 property either owned or leased by the same person or persons.~~

22 (21) "Importer" means a person who buys distilled spirits from a
23 distillery outside the state of Washington and imports such spirituous
24 liquor into the state for sale to the board or for export.

25 (22) "Imprisonment" means confinement in the county jail.

26 (23) "Liquor" includes the four varieties of liquor herein defined
27 (alcohol, spirits, wine and beer), and all fermented, spirituous,
28 vinous, or malt liquor, or combinations thereof, and mixed liquor, a
29 part of which is fermented, spirituous, vinous or malt liquor, or
30 otherwise intoxicating; and every liquid or solid or semisolid or other
31 substance, patented or not, containing alcohol, spirits, wine or beer,
32 and all drinks or drinkable liquids and all preparations or mixtures
33 capable of human consumption, and any liquid, semisolid, solid, or
34 other substance, which contains more than one percent of alcohol by
35 weight shall be conclusively deemed to be intoxicating. Liquor does
36 not include confections or food products that contain one percent or
37 less of alcohol by weight.

1 (24) "Manufacturer" means a person engaged in the preparation of
2 liquor for sale, in any form whatsoever.

3 (25) "Malt beverage" or "malt liquor" means any beverage such as
4 beer, ale, lager beer, stout, and porter obtained by the alcoholic
5 fermentation of an infusion or decoction of pure hops, or pure extract
6 of hops and pure barley malt or other wholesome grain or cereal in pure
7 water containing not more than eight percent of alcohol by weight, and
8 not less than one-half of one percent of alcohol by volume. For the
9 purposes of this title, any such beverage containing more than eight
10 percent of alcohol by weight shall be referred to as "strong beer."

11 (26) "Package" means any container or receptacle used for holding
12 liquor.

13 (27) "Passenger vessel" means any boat, ship, vessel, barge, or
14 other floating craft of any kind carrying passengers for compensation.

15 (28) "Permit" means a permit for the purchase of liquor under this
16 title.

17 (29) "Person" means an individual, copartnership, association, or
18 corporation.

19 (30) "Physician" means a medical practitioner duly and regularly
20 licensed and engaged in the practice of his profession within the state
21 pursuant to chapter 18.71 RCW.

22 (31) "Prescription" means a memorandum signed by a physician and
23 given by him to a patient for the obtaining of liquor pursuant to this
24 title for medicinal purposes.

25 (32) "Public place" includes streets and alleys of incorporated
26 cities and towns; state or county or township highways or roads;
27 buildings and grounds used for school purposes; public dance halls and
28 grounds adjacent thereto; those parts of establishments where beer may
29 be sold under this title, soft drink establishments, public buildings,
30 public meeting halls, lobbies, halls and dining rooms of hotels,
31 restaurants, theatres, stores, garages and filling stations which are
32 open to and are generally used by the public and to which the public is
33 permitted to have unrestricted access; railroad trains, stages, and
34 other public conveyances of all kinds and character, and the depots and
35 waiting rooms used in conjunction therewith which are open to
36 unrestricted use and access by the public; publicly owned bathing
37 beaches, parks, and/or playgrounds; and all other places of like or

1 similar nature to which the general public has unrestricted right of
2 access, and which are generally used by the public.

3 (33) "Regulations" means regulations made by the board under the
4 powers conferred by this title.

5 (34) "Restaurant" means any establishment provided with special
6 space and accommodations where, in consideration of payment, food,
7 without lodgings, is habitually furnished to the public, not including
8 drug stores and soda fountains.

9 (35) "Sale" and "sell" include exchange, barter, and traffic; and
10 also include the selling or supplying or distributing, by any means
11 whatsoever, of liquor, or of any liquid known or described as beer or
12 by any name whatever commonly used to describe malt or brewed liquor or
13 of wine, by any person to any person; and also include a sale or
14 selling within the state to a foreign consignee or his agent in the
15 state. "Sale" and "sell" shall not include the giving, at no charge,
16 of a reasonable amount of liquor by a person not licensed by the board
17 to a person not licensed by the board, for personal use only. "Sale"
18 and "sell" also does not include a raffle authorized under RCW
19 9.46.0315: PROVIDED, That the nonprofit organization conducting the
20 raffle has obtained the appropriate permit from the board.

21 (36) "Soda fountain" means a place especially equipped with
22 apparatus for the purpose of dispensing soft drinks, whether mixed or
23 otherwise.

24 (37) "Spirits" means any beverage which contains alcohol obtained
25 by distillation, except flavored malt beverages, but including wines
26 exceeding twenty-four percent of alcohol by volume.

27 (38) "Store" means a state liquor store established under this
28 title.

29 (39) "Tavern" means any establishment with special space and
30 accommodation for sale by the glass and for consumption on the
31 premises, of beer, as herein defined.

32 (40) "Winery" means a business conducted by any person for the
33 manufacture of wine for sale, other than a domestic winery.

34 (41)(a) "Wine" means any alcoholic beverage obtained by
35 fermentation of fruits (grapes, berries, apples, et cetera) or other
36 agricultural product containing sugar, to which any saccharine
37 substances may have been added before, during or after fermentation,
38 and containing not more than twenty-four percent of alcohol by volume,

1 including sweet wines fortified with wine spirits, such as port,
2 sherry, muscatel and angelica, not exceeding twenty-four percent of
3 alcohol by volume and not less than one-half of one percent of alcohol
4 by volume. For purposes of this title, any beverage containing no more
5 than fourteen percent of alcohol by volume when bottled or packaged by
6 the manufacturer shall be referred to as "table wine," and any beverage
7 containing alcohol in an amount more than fourteen percent by volume
8 when bottled or packaged by the manufacturer shall be referred to as
9 "fortified wine." However, "fortified wine" shall not include: (i)
10 Wines that are both sealed or capped by cork closure and aged two years
11 or more; and (ii) wines that contain more than fourteen percent alcohol
12 by volume solely as a result of the natural fermentation process and
13 that have not been produced with the addition of wine spirits, brandy,
14 or alcohol.

15 (b) This subsection shall not be interpreted to require that any
16 wine be labeled with the designation "table wine" or "fortified wine."

17 (42) "Wine distributor" means a person who buys wine from a
18 domestic winery, wine certificate of approval holder, or wine importer,
19 or who acquires foreign produced wine from a source outside of the
20 United States, for the purpose of selling the same not in violation of
21 this title, or who represents such vintner or winery as agent.

22 (43) "Wine importer" means a person or business within Washington
23 who purchases wine from a wine certificate of approval holder or who
24 acquires foreign produced wine from a source outside of the United
25 States for the purpose of selling the same pursuant to this title.

26 NEW SECTION. **Sec. 11.** A new section is added to chapter 66.24 RCW
27 to read as follows:

28 (1) There shall be a retailer's license to be designated as a hotel
29 license. No license may be issued to a hotel offering rooms to its
30 guests on an hourly basis. Food service provided for room service,
31 banquets or conferences, or restaurant operation under this license
32 shall meet the requirements of rules adopted by the board.

33 (2) The hotel license authorizes the licensee to:

34 (a) Sell spiritous liquor, beer, and wine, by the individual glass,
35 at retail, for consumption on the premises, including mixed drinks and
36 cocktails compounded and mixed on the premises, at dining places in the
37 hotel.

1 (b) Sell, at retail, from locked honor bars, in individual units,
2 spirits not to exceed fifty milliliters, beer in individual units not
3 to exceed twelve ounces, and wine in individual bottles not to exceed
4 three hundred eighty-five milliliters, to registered guests of the
5 hotel for consumption in guest rooms. The licensee shall require proof
6 of age from the guest renting a guest room and requesting the use of an
7 honor bar. The guest shall also execute an affidavit verifying that no
8 one under twenty-one years of age shall have access to the spirits,
9 beer, and wine in the honor bar;

10 (c) Provide without additional charge, to overnight guests,
11 spirits, beer, and wine by the individual serving for on-premises
12 consumption at a specified regular date, time, and place as may be
13 fixed by the board. Self-service by attendees is prohibited;

14 (d) Sell beer, including strong beer, wine, or spirits, in the
15 manufacturer's sealed container or by the individual drink to guests
16 through room service, or through service to occupants of private
17 residential units;

18 (e) Sell beer, including strong beer, or wine, in the
19 manufacturer's sealed container at retail sales locations within the
20 hotel premises;

21 (f) Sell for on or off-premises consumption, including through room
22 service and service to occupants of private residential units managed
23 by the hotel, wine carrying a label exclusive to the hotel license
24 holder;

25 (g) Place in guest rooms at check-in, a complimentary bottle of
26 beer, including strong beer, or wine in a manufacturer-sealed
27 container, and make a reference to this service in promotional
28 material.

29 (3) If all or any facilities for alcoholic beverage service and the
30 preparation, cooking, and serving of food are operated under contract
31 or joint venture agreement, the operator may hold a license separate
32 from the license held by the operator of the hotel. Food and beverage
33 inventory used in separate licensed operations at the hotel may not be
34 shared and shall be separately owned and stored by the separate
35 licensees.

36 (4) All spirits to be sold under this license must be purchased
37 from the board.

1 (5) All on-premise alcoholic beverage service must be done by an
2 alcohol server as defined in RCW 66.20.300 and must comply with RCW
3 66.20.310.

4 (6)(a) The hotel license allows the licensee to remove from the
5 liquor stocks at the licensed premises, liquor for sale and service at
6 event locations at a specified date and place not currently licensed by
7 the board. If the event is open to the public, it must be sponsored by
8 a society or organization as defined by RCW 66.24.375. If attendance
9 at the event is limited to members or invited guests of the sponsoring
10 individual, society, or organization, the requirement that the sponsor
11 must be a society or organization as defined by RCW 66.24.375 is
12 waived.

13 (b) The holder of this license shall, if requested by the board,
14 notify the board or its designee of the date, time, place, and location
15 of any event. Upon request, the licensee shall provide to the board
16 all necessary or requested information concerning the society or
17 organization that will be holding the function at which the endorsed
18 license will be utilized.

19 (c) Licensees may cater events on a domestic winery premises.

20 (7) The holder of this license or its manager may furnish spirits,
21 beer, or wine to the licensee's employees who are twenty-one years of
22 age or older free of charge as may be required for use in connection
23 with instruction on spirits, beer, and wine. The instruction may
24 include the history, nature, values, and characteristics of spirits,
25 beer, or wine, the use of wine lists, and the methods of presenting,
26 serving, storing, and handling spirits, beer, or wine. The licensee
27 must use the beer or wine it obtains under its license for the sampling
28 as part of the instruction. The instruction must be given on the
29 premises of the licensee.

30 (8) Minors may be allowed in all areas of the hotel where alcohol
31 may be consumed; however, the consumption must be incidental to the
32 primary use of the area. These areas include, but are not limited to,
33 tennis courts, hotel lobbies, and swimming pool areas. If an area is
34 not a mixed use area, and is primarily used for alcohol service, the
35 area must be designated and restricted to access by minors.

36 (9) The annual fee for this license is two thousand dollars.

37 (10) As used in this section, "hotel," "spirits," "beer," and
38 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

1 **Sec. 12.** RCW 66.44.310 and 1998 c 126 s 14 are each amended to
2 read as follows:

3 (1) Except as otherwise provided by RCW 66.44.316 ~~((and))~~,
4 66.44.350, and section 11 of this act, it shall be a misdemeanor:

5 (a) To serve or allow to remain in any area classified by the board
6 as off-limits to any person under the age of twenty-one years;

7 (b) For any person under the age of twenty-one years to enter or
8 remain in any area classified as off-limits to such a person, but
9 persons under twenty-one years of age may pass through a restricted
10 area in a facility holding a spirits, beer, and wine private club
11 license;

12 (c) For any person under the age of twenty-one years to represent
13 his or her age as being twenty-one or more years for the purpose of
14 purchasing liquor or securing admission to, or remaining in any area
15 classified by the board as off-limits to such a person.

16 (2) The Washington state liquor control board shall have the power
17 and it shall be its duty to classify licensed premises or portions of
18 licensed premises as off-limits to persons under the age of twenty-one
19 years of age.

20 **Sec. 13.** RCW 66.24.400 and 2005 c 152 s 2 are each amended to read
21 as follows:

22 (1) There shall be a retailer's license, to be known and designated
23 as a spirits, beer, and wine restaurant license, to sell spirituous
24 liquor by the individual glass, beer, and wine, at retail, for
25 consumption on the premises, including mixed drinks and cocktails
26 compounded or mixed on the premises only ~~((:—PROVIDED, That a hotel,~~
27 ~~or))~~. A club licensed under chapter 70.62 RCW with overnight sleeping
28 accommodations, that is licensed under this section may sell liquor by
29 the bottle to registered guests of the ((~~hotel—or~~)) club for
30 consumption in guest rooms, hospitality rooms, or at banquets in the
31 ((~~hotel—or~~)) club((:—PROVIDED FURTHER, That)). A patron of a bona
32 fide ((~~hotel,~~)) restaurant((~~7~~)) or club licensed under this section may
33 remove from the premises recorked or recapped in its original container
34 any portion of wine which was purchased for consumption with a meal,
35 and registered guests who have purchased liquor from the ((~~hotel—or~~))
36 club by the bottle may remove from the premises any unused portion of
37 such liquor in its original container. Such license may be issued only

1 to bona fide restaurants(~~(, hotels)~~) and clubs, and to dining, club and
2 buffet cars on passenger trains, and to dining places on passenger
3 boats and airplanes, and to dining places at civic centers with
4 facilities for sports, entertainment, and conventions, and to such
5 other establishments operated and maintained primarily for the benefit
6 of tourists, vacationers and travelers as the board shall determine are
7 qualified to have, and in the discretion of the board should have, a
8 spirits, beer, and wine restaurant license under the provisions and
9 limitations of this title.

10 (2) The board may issue an endorsement to the spirits, beer, and
11 wine restaurant license that allows the holder of a spirits, beer, and
12 wine restaurant license to sell for off-premises consumption wine
13 vinted and bottled in the state of Washington and carrying a label
14 exclusive to the license holder selling the wine. Spirits and beer may
15 not be sold for off-premises consumption under this section. The
16 annual fee for the endorsement under this subsection is one hundred
17 twenty dollars.

18 (3) The holder of a spirits, beer, and wine license or its manager
19 may furnish beer, wine, or spirituous liquor to the licensee's
20 employees free of charge as may be required for use in connection with
21 instruction on beer, wine, or spirituous liquor. The instruction may
22 include the history, nature, values, and characteristics of beer, wine,
23 or spirituous liquor, the use of wine lists, and the methods of
24 presenting, serving, storing, and handling beer, wine, and spirituous
25 liquor. The spirits, beer, and wine restaurant licensee must use the
26 beer, wine, or spirituous liquor it obtains under its license for the
27 sampling as part of the instruction. The instruction must be given on
28 the premises of the spirits, beer, and wine restaurant licensee.

29 **Sec. 14.** RCW 66.08.180 and 2000 c 192 s 1 are each amended to read
30 as follows:

31 Except as provided in RCW 66.24.290(1), moneys in the liquor
32 revolving fund shall be distributed by the board at least once every
33 three months in accordance with RCW 66.08.190, 66.08.200 and 66.08.210:
34 PROVIDED, That the board shall reserve from distribution such amount
35 not exceeding five hundred thousand dollars as may be necessary for the
36 proper administration of this title.

1 (1) All license fees, penalties and forfeitures derived under
2 chapter 13, Laws of 1935 from spirits, beer, and wine restaurant;
3 spirits, beer, and wine private club; hotel; and sports entertainment
4 facility licenses or spirits, beer, and wine restaurant; spirits, beer,
5 and wine private club; and sports entertainment facility licensees
6 shall every three months be disbursed by the board as follows:

7 (a) Three hundred thousand dollars per biennium, to the death
8 investigations account for the state toxicology program pursuant to RCW
9 68.50.107; and

10 (b) Of the remaining funds:

11 (i) 6.06 percent to the University of Washington and 4.04 percent
12 to Washington State University for alcoholism and drug abuse research
13 and for the dissemination of such research; and

14 (ii) 89.9 percent to the general fund to be used by the department
15 of social and health services solely to carry out the purposes of RCW
16 70.96A.050;

17 (2) The first fifty-five dollars per license fee provided in RCW
18 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
19 dollars annually shall be disbursed every three months by the board to
20 the general fund to be used for juvenile alcohol and drug prevention
21 programs for kindergarten through third grade to be administered by the
22 superintendent of public instruction;

23 (3) Twenty percent of the remaining total amount derived from
24 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and
25 66.24.360, shall be transferred to the general fund to be used by the
26 department of social and health services solely to carry out the
27 purposes of RCW 70.96A.050; and

28 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210
29 shall every three months be disbursed by the board to Washington State
30 University solely for wine and wine grape research, extension programs
31 related to wine and wine grape research, and resident instruction in
32 both wine grape production and the processing aspects of the wine
33 industry in accordance with RCW 28B.30.068. The director of financial
34 management shall prescribe suitable accounting procedures to ensure
35 that the funds transferred to the general fund to be used by the
36 department of social and health services and appropriated are
37 separately accounted for.

1 **Sec. 15.** RCW 66.08.220 and 1999 c 281 s 2 are each amended to read
2 as follows:

3 The board shall set aside in a separate account in the liquor
4 revolving fund an amount equal to ten percent of its gross sales of
5 liquor to spirits, beer, and wine restaurant; spirits, beer, and wine
6 private club; hotel; and sports entertainment facility licensees
7 collected from these licensees pursuant to the provisions of RCW
8 66.08.150, less the fifteen percent discount provided for in RCW
9 66.24.440; and the moneys in said separate account shall be distributed
10 in accordance with the provisions of RCW 66.08.190, 66.08.200 and
11 66.08.210(~~(: PROVIDED, HOWEVER, That)~~). No election unit in which the
12 sale of liquor under spirits, beer, and wine restaurant; spirits, beer,
13 and wine private club; and sports entertainment facility licenses is
14 unlawful shall be entitled to share in the distribution of moneys from
15 such separate account.

16 **Sec. 16.** RCW 66.20.010 and 1998 c 126 s 1 are each amended to read
17 as follows:

18 Upon application in the prescribed form being made to any employee
19 authorized by the board to issue permits, accompanied by payment of the
20 prescribed fee, and upon the employee being satisfied that the
21 applicant should be granted a permit under this title, the employee
22 shall issue to the applicant under such regulations and at such fee as
23 may be prescribed by the board a permit of the class applied for, as
24 follows:

25 (1) Where the application is for a special permit by a physician or
26 dentist, or by any person in charge of an institution regularly
27 conducted as a hospital or sanitorium for the care of persons in ill
28 health, or as a home devoted exclusively to the care of aged people, a
29 special liquor purchase permit;

30 (2) Where the application is for a special permit by a person
31 engaged within the state in mechanical or manufacturing business or in
32 scientific pursuits requiring alcohol for use therein, or by any
33 private individual, a special permit to purchase alcohol for the
34 purpose named in the permit;

35 (3) Where the application is for a special permit to consume liquor
36 at a banquet, at a specified date and place, a special permit to

1 purchase liquor for consumption at such banquet, to such applicants as
2 may be fixed by the board;

3 (4) Where the application is for a special permit to consume liquor
4 on the premises of a business not licensed under this title, a special
5 permit to purchase liquor for consumption thereon for such periods of
6 time and to such applicants as may be fixed by the board;

7 (5) Where the application is for a special permit by a manufacturer
8 to import or purchase within the state alcohol, malt, and other
9 materials containing alcohol to be used in the manufacture of liquor,
10 or other products, a special permit;

11 (6) Where the application is for a special permit by a person
12 operating a drug store to purchase liquor at retail prices only, to be
13 thereafter sold by such person on the prescription of a physician, a
14 special liquor purchase permit;

15 (7) Where the application is for a special permit by an authorized
16 representative of a military installation operated by or for any of the
17 armed forces within the geographical boundaries of the state of
18 Washington, a special permit to purchase liquor for use on such
19 military installation at prices to be fixed by the board;

20 (8) Where the application is for a special permit by a
21 manufacturer, importer, or distributor, or representative thereof, to
22 serve liquor without charge to delegates and guests at a convention of
23 a trade association composed of licensees of the board, when the said
24 liquor is served in a hospitality room or from a booth in a board-
25 approved suppliers' display room at the convention, and when the liquor
26 so served is for consumption in the said hospitality room or display
27 room during the convention, anything in Title 66 RCW to the contrary
28 notwithstanding. Any such spirituous liquor shall be purchased from
29 the board or a spirits, beer, and wine restaurant licensee and any such
30 beer and wine shall be subject to the taxes imposed by RCW 66.24.290
31 and 66.24.210;

32 (9) Where the application is for a special permit by a
33 manufacturer, importer, or distributor, or representative thereof, to
34 donate liquor for a reception, breakfast, luncheon, or dinner for
35 delegates and guests at a convention of a trade association composed of
36 licensees of the board, when the liquor so donated is for consumption
37 at the said reception, breakfast, luncheon, or dinner during the
38 convention, anything in Title 66 RCW to the contrary notwithstanding.

1 Any such spirituous liquor shall be purchased from the board or a
2 spirits, beer, and wine restaurant licensee and any such beer and wine
3 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

4 (10) Where the application is for a special permit by a
5 manufacturer, importer, or distributor, or representative thereof, to
6 donate and/or serve liquor without charge to delegates and guests at an
7 international trade fair, show, or exposition held under the auspices
8 of a federal, state, or local governmental entity or organized and
9 promoted by a nonprofit organization, anything in Title 66 RCW to the
10 contrary notwithstanding. Any such spirituous liquor shall be
11 purchased from the board and any such beer or wine shall be subject to
12 the taxes imposed by RCW 66.24.290 and 66.24.210;

13 (11) Where the application is for an annual special permit by a
14 person operating a bed and breakfast lodging facility to donate or
15 serve wine or beer without charge to overnight guests of the facility
16 if the wine or beer is for consumption on the premises of the facility.
17 "Bed and breakfast lodging facility," as used in this subsection, means
18 a (~~hotel or similar~~) facility offering from one to eight lodging
19 units and breakfast to travelers and guests.

20 **Sec. 17.** RCW 66.20.310 and 1997 c 321 s 45 are each amended to
21 read as follows:

22 (1)(a) There shall be an alcohol server permit, known as a class 12
23 permit, for a manager or bartender selling or mixing alcohol, spirits,
24 wines, or beer for consumption at an on-premises licensed facility.

25 (b) There shall be an alcohol server permit, known as a class 13
26 permit, for a person who only serves alcohol, spirits, wines, or beer
27 for consumption at an on-premises licensed facility.

28 (c) As provided by rule by the board, a class 13 permit holder may
29 be allowed to act as a bartender without holding a class 12 permit.

30 (2)(a) Effective January 1, 1997, except as provided in (d) of this
31 subsection, every person employed, under contract or otherwise, by an
32 annual retail liquor licensee holding a license as authorized by RCW
33 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,
34 section 11 of this act, or 66.24.570, who as part of his or her
35 employment participates in any manner in the sale or service of
36 alcoholic beverages shall have issued to them a class 12 or class 13
37 permit.

1 (b) Every class 12 and class 13 permit issued shall be issued in
2 the name of the applicant and no other person may use the permit of
3 another permit holder. The holder shall present the permit upon
4 request to inspection by a representative of the board or a peace
5 officer. The class 12 or class 13 permit shall be valid for employment
6 at any retail licensed premises described in (a) of this subsection.

7 (c) No licensee described in (a) of this subsection, except as
8 provided in (d) of this subsection, may employ or accept the services
9 of any person without the person first having a valid class 12 or class
10 13 permit.

11 (d) Within sixty days of initial employment, every person whose
12 duties include the compounding, sale, service, or handling of liquor
13 shall have a class 12 or class 13 permit.

14 (e) No person may perform duties that include the sale or service
15 of alcoholic beverages on a retail licensed premises without possessing
16 a valid alcohol server permit.

17 (3) A permit issued by a training entity under this section is
18 valid for employment at any retail licensed premises described in
19 subsection (2)(a) of this section for a period of five years unless
20 suspended by the board.

21 (4) The board may suspend or revoke an existing permit if any of
22 the following occur:

23 (a) The applicant or permittee has been convicted of violating any
24 of the state or local intoxicating liquor laws of this state or has
25 been convicted at any time of a felony; or

26 (b) The permittee has performed or permitted any act that
27 constitutes a violation of this title or of any rule of the board.

28 (5) The suspension or revocation of a permit under this section
29 does not relieve a licensee from responsibility for any act of the
30 employee or agent while employed upon the retail licensed premises.
31 The board may, as appropriate, revoke or suspend either the permit of
32 the employee who committed the violation or the license of the licensee
33 upon whose premises the violation occurred, or both the permit and the
34 license.

35 (6)(a) After January 1, 1997, it is a violation of this title for
36 any retail licensee or agent of a retail licensee as described in
37 subsection (2)(a) of this section to employ in the sale or service of

1 alcoholic beverages, any person who does not have a valid alcohol
2 server permit or whose permit has been revoked, suspended, or denied.

3 (b) It is a violation of this title for a person whose alcohol
4 server permit has been denied, suspended, or revoked to accept
5 employment in the sale or service of alcoholic beverages.

6 (7) Grocery stores licensed under RCW 66.24.360, the primary
7 commercial activity of which is the sale of grocery products and for
8 which the sale and service of beer and wine for on-premises consumption
9 with food is incidental to the primary business, and employees of such
10 establishments, are exempt from RCW 66.20.300 through 66.20.350.

11 **Sec. 18.** RCW 66.24.410 and 1983 c 3 s 164 are each amended to read
12 as follows:

13 (1) "Spirituous liquor," as used in RCW 66.24.400 to 66.24.450,
14 inclusive, means "liquor" as defined in RCW 66.04.010, except "wine"
15 and "beer" sold as such.

16 (2) "Restaurant" as used in RCW 66.24.400 to 66.24.450, inclusive,
17 means an establishment provided with special space and accommodations
18 where, in consideration of payment, food, without lodgings, is
19 habitually furnished to the public, not including drug stores and soda
20 fountains: PROVIDED, That such establishments shall be approved by the
21 board and that the board shall be satisfied that such establishment is
22 maintained in a substantial manner as a place for preparing, cooking
23 and serving of complete meals. The service of only fry orders or such
24 food and victuals as sandwiches, hamburgers, or salads shall not be
25 deemed in compliance with this definition.

26 (3) "Hotel," "clubs," "wine" and "beer" are used in RCW 66.24.400
27 to 66.24.450, inclusive, with the meaning given in chapter 66.04 RCW(
28 ~~PROVIDED, That any such hotel shall be provided with special space and~~
29 ~~accommodations where, in consideration of payment, food is habitually~~
30 ~~furnished to the public: PROVIDED FURTHER, That the board shall be~~
31 ~~satisfied that such hotel is maintained in a substantial manner as a~~
32 ~~place for preparing, cooking and serving of complete meals. The~~
33 ~~service of only fry orders, sandwiches, hamburgers, or salads shall not~~
34 ~~be deemed in compliance with this definition)).~~

35 **Sec. 19.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are
36 each reenacted and amended to read as follows:

1 (1) The spirits, beer, and wine restaurant license shall be issued
2 in accordance with the following schedule of annual fees:

3 (a) The annual fee for a spirits, beer, and wine restaurant license
4 shall be graduated according to the dedicated dining area and type of
5 service provided as follows:

| | | |
|---|-------------------------------------|---------|
| 6 | Less than 50% dedicated dining area | \$2,000 |
| 7 | 50% or more dedicated dining area | \$1,600 |
| 8 | Service bar only | \$1,000 |

9 (b) The annual fee for the license when issued to any other
10 spirits, beer, and wine restaurant licensee outside of incorporated
11 cities and towns shall be prorated according to the calendar quarters,
12 or portion thereof, during which the licensee is open for business,
13 except in case of suspension or revocation of the license.

14 (c) Where the license shall be issued to any corporation,
15 association or person operating a bona fide restaurant in an airport
16 terminal facility providing service to transient passengers with more
17 than one place where liquor is to be dispensed and sold, such license
18 shall be issued upon the payment of the annual fee, which shall be a
19 master license and shall permit such sale within and from one such
20 place. Such license may be extended to additional places on the
21 premises at the discretion of the board and a duplicate license may be
22 issued for each such additional place. The holder of a master license
23 for a restaurant in an airport terminal facility must maintain in a
24 substantial manner at least one place on the premises for preparing,
25 cooking, and serving of complete meals, and such food service shall be
26 available on request in other licensed places on the premises. An
27 additional license fee of twenty-five percent of the annual master
28 license fee shall be required for such duplicate licenses.

29 (d) Where the license shall be issued to any corporation,
30 association, or person operating dining places at a publicly or
31 privately owned civic or convention center with facilities for sports,
32 entertainment, or conventions, or a combination thereof, with more than
33 one place where liquor is to be dispensed and sold, such license shall
34 be issued upon the payment of the annual fee, which shall be a master
35 license and shall permit such sale within and from one such place.
36 Such license may be extended to additional places on the premises at
37 the discretion of the board and a duplicate license may be issued for

1 each such additional place. The holder of a master license for a
2 dining place at such a publicly or privately owned civic or convention
3 center must maintain in a substantial manner at least one place on the
4 premises for preparing, cooking, and serving of complete meals, and
5 food service shall be available on request in other licensed places on
6 the premises. An additional license fee of ten dollars shall be
7 required for such duplicate licenses.

8 ~~((e) Where the license shall be issued to any corporation,
9 association or person operating more than one building containing
10 dining places at privately owned facilities which are open to the
11 public and where there is a continuity of ownership of all adjacent
12 property, such license shall be issued upon the payment of an annual
13 fee which shall be a master license and shall permit such sale within
14 and from one such place. Such license may be extended to the
15 additional dining places on the property or, in the case of a spirits,
16 beer, and wine restaurant licensed hotel, property owned or controlled
17 by leasehold interest by that hotel for use as a conference or
18 convention center or banquet facility open to the general public for
19 special events in the same metropolitan area, at the discretion of the
20 board and a duplicate license may be issued for each additional place.
21 The holder of the master license for the dining place shall not offer
22 alcoholic beverages for sale, service, and consumption at the
23 additional place unless food service is available at both the location
24 of the master license and the duplicate license. An additional license
25 fee of twenty dollars shall be required for such duplicate licenses.))~~

26 (2) The board, so far as in its judgment is reasonably possible,
27 shall confine spirits, beer, and wine restaurant licenses to the
28 business districts of cities and towns and other communities, and not
29 grant such licenses in residential districts, nor within the immediate
30 vicinity of schools, without being limited in the administration of
31 this subsection to any specific distance requirements.

32 (3) The board shall have discretion to issue spirits, beer, and
33 wine restaurant licenses outside of cities and towns in the state of
34 Washington. The purpose of this subsection is to enable the board, in
35 its discretion, to license in areas outside of cities and towns and
36 other communities, establishments which are operated and maintained
37 primarily for the benefit of tourists, vacationers and travelers, and

1 also golf and country clubs, and common carriers operating dining, club
2 and buffet cars, or boats.

3 (4) The total number of spirits, beer, and wine restaurant licenses
4 issued in the state of Washington by the board, not including spirits,
5 beer, and wine private club licenses, shall not in the aggregate at any
6 time exceed one license for each one thousand four hundred fifty of
7 population in the state, determined according to the yearly population
8 determination developed by the office of financial management pursuant
9 to RCW 43.62.030.

10 (5) Notwithstanding the provisions of subsection (4) of this
11 section, the board shall refuse a spirits, beer, and wine restaurant
12 license to any applicant if in the opinion of the board the spirits,
13 beer, and wine restaurant licenses already granted for the particular
14 locality are adequate for the reasonable needs of the community.

15 (6)(a) The board may issue a caterer's endorsement to this license
16 to allow the licensee to remove the liquor stocks at the licensed
17 premises, for use as liquor for sale and service at event locations at
18 a specified date and, except as provided in subsection (7) of this
19 section, place not currently licensed by the board. If the event is
20 open to the public, it must be sponsored by a society or organization
21 as defined by RCW 66.24.375. If attendance at the event is limited to
22 members or invited guests of the sponsoring individual, society, or
23 organization, the requirement that the sponsor must be a society or
24 organization as defined by RCW 66.24.375 is waived. Cost of the
25 endorsement is three hundred fifty dollars.

26 (b) The holder of this license with catering endorsement shall, if
27 requested by the board, notify the board or its designee of the date,
28 time, place, and location of any catered event. Upon request, the
29 licensee shall provide to the board all necessary or requested
30 information concerning the society or organization that will be holding
31 the function at which the endorsed license will be utilized.

32 (7) Licensees under this section that hold a caterer's endorsement
33 are allowed to use this endorsement on a domestic winery premises or on
34 the premises of a passenger vessel under the following conditions:

35 (a) Agreements between the domestic winery or passenger vessel, as
36 the case may be, and the retail licensee shall be in writing, contain
37 no exclusivity clauses regarding the alcohol beverages to be served,
38 and be filed with the board; and

1 (b) The domestic winery or passenger vessel, as the case may be,
2 and the retail licensee shall be separately contracted and compensated
3 by the persons sponsoring the event for their respective services.

4 **Sec. 20.** RCW 66.24.440 and 1998 c 126 s 8 are each amended to read
5 as follows:

6 Each spirits, beer, and wine restaurant, spirits, beer, and wine
7 private club, hotel, and sports entertainment facility licensee shall
8 be entitled to purchase any spirituous liquor items salable under such
9 license from the board at a discount of not less than fifteen percent
10 from the retail price fixed by the board, together with all taxes.

11 NEW SECTION. **Sec. 21.** Sections 4 and 6 of this act expire June
12 30, 2008.

13 NEW SECTION. **Sec. 22.** Sections 5 and 7 of this act take effect
14 June 30, 2008.

15 NEW SECTION. **Sec. 23.** Sections 10 through 20 of this act take
16 effect July 1, 2008."

2SSB-5859 - S AMD
By Senators Kohl-Welles, Clements

ADOPTED 03/12/2007

17 On page 1, line 1 of the title, after "licenses;" strike the
18 remainder of the title and insert "amending RCW 66.24.375, 66.08.150,
19 66.24.244, 66.24.240, 66.44.310, 66.24.400, 66.08.180, 66.08.220,
20 66.20.010, 66.20.310, 66.24.410, and 66.24.440; reenacting and amending
21 RCW 66.28.010, 66.24.244, 66.24.240, 66.24.420, 66.24.320, 66.04.010,
22 and 66.24.420; adding a new section to chapter 66.24 RCW; providing
23 effective dates; and providing an expiration date."

--- END ---